

# Eighty-Ninth Regular Session

THURSDAY, January 3, 1991

The chief clerk makes the following entries under the above date.

## PETITIONS AND COMMUNICATIONS

State of Wisconsin  
Ethics Board

January 3, 1991

To the Honorable the Senate

At the direction of s. 13.685(7), *Wisconsin Statutes*, I am furnishing you with recent changes in the Ethics Board's registry of principals and lobbyists.

### AUTHORIZATION TO LOBBY IS GRANTED:

The following organization(s) indicated they have newly authorized as their paid lobbyist(s) the individuals identified below:

**John Maier and Anthony Earl,**

1) Anvan Development Corporation 1919 Highland Ave., Lombard, IL 60148 Contact: Raymond Denten 708-932-5700

Subjects: Licensing, permitting, taxes and fees.

2) Geneva National Golf Club, Inc Highway 50 West, Lake Geneva, WI 53147 Contact: Raymond Denten 414-245-2500

Subjects: Licensing, permitting, taxes and fees.

3) Geneva National Development Corporation 1919 Highland Ave., Suite 230-A, Lombard, IL 60148 Contact: Raymond Denten 708-932-5700

Subjects: Licensing, permitting, taxes and fees.

Statements that identify state agency officers and employes whose job duties include attempting to influence legislation s. 13.695 and principal expense statements s. 13.68 are available for review at the Wisconsin Ethics Board.

Sincerely,  
R. ROTH JUDD  
Executive Director

State of Wisconsin  
Office of the Commissioner of Insurance  
December 21, 1990

To the Honorable the Legislature:

Enclosed is the Report on Insurance Coverage for Immunizations prepared by the Office of Commissioner of Insurance. This report is required by SECTION 10(1) of **October 1989 Special Session Senate Bill 13**. It is for distribution to the appropriate standing committees in the manner provided under s. 13.172(3), Wis. Stats.

Sincerely,  
ROBERT D. HAASE  
Commissioner

Milwaukee Public Schools  
Division of Planning, Budget, Research, and  
Evaluation  
Office of Educational Research and Program  
Assessment

December 28, 1990

To the Honorable the Legislature:

Enclosed you will find a copy of the report entitled "Evaluation of the Day Care Kindergarten Project and the State-Funded All-Day Kindergarten and First Grade Programs," for the Milwaukee Public Schools. This report summarizes the projects and the research findings for the 1989-90 school year and is due by January 1, 1991.

It should be noted that this report was prepared in response to Sections 119.71, 119.72, 119.73 and 119.75 of the current state statutes dated February 28, 1990. It has been mandated that the board shall evaluate the effectiveness of the expanded 5-year-old kindergarten programs and the early childhood education programs in meeting the needs of disadvantaged children and provide expanded opportunities for first grade pupils who have participated in an expanded 5-year old kindergarten program.

This report should provide you with a comprehensive summary as well as specific details regarding the positive impact of these early childhood projects. If you have any questions, please feel free to contact me at (414) 475-8263.

Sincerely,  
Dr. EVELYN KOEPEL  
Research Specialist

State of Wisconsin  
Department of Administration and  
November 20, 1990

To the Honorable the Legislature:

Attached is the final report of the Information Technology Advisory Board (ITAB).

This Board was created in August, 1989 to study the management of Wisconsin's \$200 million annual investment in data processing and telecommunications. The Board was charged with the responsibility to make comprehensive recommendations for improving the administration of these important technologies.

To assist the Information Technology Advisory Board in conducting this study, the Governor, in his 1989 Executive Budget, recommended and the Legislature approved sufficient funds to retain a national consultant with recognized expertise in this field.

The firm of Ernst and Young was selected and they completed their work in September of this year.

The 15-member Advisory Board which was comprised of both private and public sector members,

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reviewed the consultants' materials and provided ongoing analysis to the consultants throughout the course of this extensive study. Moreover, the ITAB has served to ensure the widest possible participation of state agency personnel in this study.

Based on a careful review of the consultants' work and the related work of many other states and private organizations, the Advisory Board is now presenting its recommendations to you in the attached report.

It has been my pleasure to serve as Chairperson of the Advisory Board. The members of the Board have worked very hard to produce an innovative and comprehensive set of recommendations. We believe the recommendations will provide significantly improved overall direction for the State in this area of growing strategic importance. Implementation of the recommendations will also result in a substantial cost savings to the State of Wisconsin.

Sincerely,

JAMES R. KLAUSER

Secretary

State of Wisconsin  
Department of Administration and

December 21, 1990

To the Honorable the Legislature:

This report is transmitted as required by ss. 20.002(11)(f) of the Wisconsin Statutes, (for distribution to the appropriate standing committees under section 13.172(3) stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances in the general fund for one day during the month of December, 1990. On December 5, 1990, the General Fund balance was \$8.6 million. This one day shortfall was due to the regularly scheduled \$374 million School Aid disbursement on December 3rd, combined with a delay in General Fund receipts resulting from a blizzard on the same day. The General Fund Shortfall for the one day was not in excess of the \$400 million ceiling and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the quarterly calculation by State Finance will automatically reflect the use of this temporary reallocation of balance authority.

Sincerely,

JAMES R. KLAUSER

Secretary

State of Wisconsin  
Legislative Audit Bureau

January 2, 1991

To the Honorable the Legislature:

We have completed an evaluation of the General Relief program in Milwaukee County as directed by 1989 Wisconsin Act 367. In 1989, Milwaukee County made 72 percent of the \$58.7 million in General Relief expenditures statewide.

Changes in the medical portion of Milwaukee County's General Relief program have caused increases in claims for state reimbursements. The broad range of health care offered by Milwaukee County's program is provided to both cash assistance recipients and more than 12,600 uninsured, indigent persons.

Milwaukee County medical claims for reimbursement rose 48 percent in 1988 and 32 percent in 1989. Milwaukee County first sought state reimbursement for the medically indigent in 1988, although the county has provided health care to them since 1861. In 1989, the County began to pay the Milwaukee County Medical Complex for professional fees which were used to improve the Medical Complex's financial condition. These new costs account for most of the recent increases.

Future increases are likely to be less dramatic. They depend on such factors as the rise in health care cost, an economic downturn which may make more persons dependent on public assistance, and increasing concern among some community leaders about providing health care to the uninsured.

While all the steps taken by Milwaukee County to claim additional state reimbursement are (with one exception) permitted by current statutes, we have included some suggestions for additional cost controls in the General Relief program to limit future growth.

We appreciate the courtesy and cooperation extended to us by staff of the Milwaukee County Medical Complex and the Milwaukee County Department of Administration. Responses from the Milwaukee County Department of Administration and the state Department of Health and Social Services are appendices II and III.

Sincerely,

DALE CATTANACH

State Auditor

State of Wisconsin  
Legislative Audit Bureau

December 18, 1990

To the Honorable the Legislature:

We have completed an audit of the State Fair Park, as required by s. 13.94, Wis. Stats., for the period July 1, 1989, through June 30, 1990. Our audit includes a review and tests of the internal controls over revenues and expenditures, tests of the State Fair Park's compliance with various state requirements, a review of several park policies, and follow-up of our prior audit report in 1985.

The State Fair Park continues to be a successful operation and generates a net profit each year. The annual state fair is well-attended, and the park grounds are used for a variety of other popular events throughout the year.

However, we found park management has not fully corrected a number of problems noted in the prior audit. As a result, we again recommend the State Fair Park Board revise its policies regarding space sales rates and complimentary tickets to provide necessary oversight. We also again recommend park management establish a policy to prohibit the sale of food service items to employes and enforce its policy prohibiting the personal use of the State Telephone System.

In addition, we note the need for improvements in the areas of providing security over general receipts and reconciling petty cash. Finally, we recommend park management improve the documentation of bids, invoice payment approval, employe time, and safe reconciliations.

we appreciate the courtesy and cooperation extended to us by the staff of the State Fair Park. The Park's response is included as the Appendix.

Sincerely,  
DALE CATTANACH  
State Auditor

State of Wisconsin  
Legislative Audit Bureau  
December 28, 1990

To the Honorable the Legislature:

The Legislative Audit Bureau is a nonpartisan service agency of the Wisconsin Legislature and is responsible for conducting financial and program evaluation audits to assist the Legislature in its oversight of executive branch agencies. The State Auditor, who is appointed by the Joint Committee on Legislative Organization, directs the Bureau. The Bureau's reports are received and reviewed by the Joint Legislative Audit Committee, whose 1989-90 members included:

Senator Burke, Co-Chair	Representative Barca, Co-Chair
Senator Barrett	Representative Kunicki
Senator George	Representative Lahn
Senator Lasec	Representative Schneider
Senator Stitt	Representative Schultz

This is the biennial report of the operations and performance of the Legislative Audit Bureau for the period January 1, 1989, to December 31, 1990, as required by s. 13.94(1)(j), Wisconsin Statutes. During the period, the Audit Bureau completed audits and evaluations on a wide range of programs issues affecting state and local government.

This report includes a description of the Bureau and its responsibilities, and a summary of our work during 1989 and 1990.

Sincerely,  
DALE CATTANACH  
State Auditor

State of Wisconsin  
Department of Health and Social Services  
December 1990

To the Honorable the Legislature:

Pursuant to the requirements of section 153.10(1), Wis. Stats., I am pleased to submit to the Governor and to the Legislature the quarterly *Health Care Data Report*. This report is based on hospital inpatient discharge data reported to the Office of Health Care Information by all operating general medical-surgical and specialty hospitals in Wisconsin for the second quarter of 1990 (*April - June*).

This report fulfills the statutory requirement to report *"in a manner that permits comparisons among hospitals ... the charges for up to 100 health care services or diagnostic-related groups selected by the office."*

I wish to express my appreciation to all Wisconsin hospitals for their cooperation in the collection of the data which enabled us to prepare this report. Printed copies of this report are available from the Office. Please contact our office should you or your staff have any questions.

Sincerely,  
R. Nicholas Trane II  
Director  
Office of Health  
Care Information

State of Wisconsin  
Department of Health and Social Services  
December 20, 1990

To the Honorable the Legislature:

1989 Wisconsin Act 31 requires the Department of Health and Social Services to maintain a cottage-based intensive alcohol and other drug abuse program at one or more juvenile correctional institution. Act 31 also requires the Department to evaluate the effectiveness of these treatment programs. An evaluation is due to the chief clerk of each house of the legislature for distribution to the appropriate standing committees by January 1, 1991. The attached report meets this requirement.

If you have any questions or if you would like additional copies of the evaluation, please let me know or call Bob Wagner at 266-9296.

Sincerely,  
PATRICIA A. GOODRICH  
Secretary

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State of Wisconsin  
Department of Health and Social Services  
December 21, 1990

To the Honorable the Legislature:

Pursuant to Ch. 153, Wis. Stats., section 153.10 through 153.35, the Office of Health Care Information is required to "prepare and submit to the governor and the chief clerk of each house of the legislature..." a number of reports on health care information for the state of Wisconsin. During calendar 1990, the office will have published 10 quarterly or annual reports as contained in statute, 5 of which were new or revised reports developed during the year. The office, however, was unable to develop and publish two additional new reports as called out in Chapter 153 due to time constraints, which resulted from the development of the 5 new reports published in 1990, plus data limitations. The two reports in question are:

- 1 - Small Area Analysis Report (s. 153.15), a report comparing health care delivery costs and utilization on a geographic basis; and
- 2 - Report by the Office (s. 153.10(2)), a report analyzing health care costs in Wisconsin compared to neighboring midwest states and the nation.

**Small Area Analysis Report**

The Small Area Analysis Report per section 153.15 was due to be released by the office in 1990. It was sequenced to be released by the office following two other new reports which utilize the same quarterly data, specifically the Annual Report - Hospital Utilization and Charges in Wisconsin - 1989, published in October plus An Overview of Hospital Mortality and Morbidity in Wisconsin - 1989, published in December.

The development and analysis work required to release the Small Area Analysis Report are complete. The development included convening a technical advisory committee for multiple meetings to assist the office in report design and format. Also, original analytic computer programming was required for data analysis. And finally, office data was submitted to a third-party consultant to verify the validity of the original computer programming analysis.

A draft report was completed and mailed to the technical advisory committee and to the Board on Health Care Information on December 13, 1990, for review and input. Draft comments are due in the office on January 7, and the report will be published and released in February, 1991.

**Report by the Office**

As contained in section 153.10(2), the Report by the office shall:

"Beginning in 1990 and annually thereafter, the office shall prepare and submit to the governor and the Chief Clerk of each house of the legislature for distribution to the legislature under s. 13.172(2) a report analyzing the relative rate of growth of health care costs in this state compared to the rest of the nation and compared to the midwest region. The report shall include, to the extent the data are available, comparisons among this state, the rest of the nation and the midwest region of the following for the preceding year:

- (a) Health care costs per person.
- (b) Hospital revenues and expenditure per person.
- (c) Changes in total hospital revenues and expenditures.
- (d) Average charges for health care services provided by hospitals and for diagnostic-related groups provided by hospitals."

In order to prepare an analysis per the preceding requirements, the office requires data from neighboring states, as well as nationally, in a format and time frame consistent with the OHCI data base. To date, only Illinois can supply comparable data. Iowa data is available but not directly comparable; Michigan data is incomplete and not timely. Other neighboring states, specifically Minnesota, cannot supply data.

From a national perspective, the only data available is Medicare data for FY 1988. The office has attempted to obtain national survey data from the American Hospital Association but has been unsuccessful. If no data sources become available, the office will not be able to comply with this statute requirement.

As an alternative, the office will explore using the research resources of a third-party vendor to utilize research and forecasting techniques on existing available state, regional and national survey data to prepare a report by the office which complies with the intent of s. 153.10(2) but does not utilize the OHCI data base.

If you have any question regarding the preceding reports, please contact OHCI at (608) 266-7568.

Sincerely,  
R. Nicholas Trane II  
Director  
Office of Health  
Care Information